



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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January 23, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

6 January 23, 2018

LORI GLASGOW
EXECUTIVE OFFICER

**GRAND AVENUE PROJECT
APPROVE THE FIFTH AMENDMENT TO THE JOINT EXERCISE OF POWERS
AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND THE CRA/LA,
A DESIGNATED LOCAL AUTHORITY
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of the recommended actions will find the recommendations are within the scope of the Grand Avenue Project in the previously certified Final Environmental Impact Report and the First and Second Addenda; provide an extension of approximately six months to the deadline for the Grand Avenue Authority to enter into ground leases for the project parcels Phase IIC (Parcel L partial) and Phase III (Parcel W-2), as provided in the Grand Avenue Joint Exercise of Powers Agreement between the County and the CRA/LA, a Designated Local Authority and the successor agency to the Community Redevelopment Agency of the City of Los Angeles, CA.

IT IS RECOMMENDED THAT THE BOARD:

1. Acting as a responsible agency for purposes of the California Environmental Quality Act, find that the recommended actions are within the scope of the Grand Avenue Project impacts analyzed in the previously certified Final Environmental Impact Report, and the First and Second Addenda to the Final Environmental Impact Report.

2. Authorize the Chief Executive Officer, or her designee, to execute a Fifth Amendment to the Joint Powers Authority Agreement with the Community Redevelopment Agency of the City of Los Angeles, a Designated Local Authority, to extend the deadline applicable to ground leases for Phases IIC (Parcel L partial) and Phase III (Parcel W-2), for six months as recommended by the Grand Avenue Authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions would provide a short-term extension of the deadline for executing ground leases for Phase IIC (Parcel L partial) and Phase III (Parcel W-2) in the Joint Exercise of Powers Agreement for the Los Angeles Grand Avenue Authority (Authority). This extension will give Authority staff time to complete negotiations of a further amendment to the Disposition and Development Agreement to update and coordinate schedules and requirements for Phase IIC and Phase III and return to the Board of Supervisors (Board) with recommendations.

The Governing Board of the CRA/LA, a Designated Local Authority, approved the Fifth Amendment to the JPA Agreement on January 4, 2018.

Background

The Authority, a California Joint Powers Authority, is a separate legal entity created in September 2003, through a Joint Powers Agreement (JPA Agreement), between the County and the Community Redevelopment Agency of the City of Los Angeles (CRA), now CRA/LA, a Designated Local Authority (CRA/LA). The Authority's Board of Directors includes the County's First District Supervisor, the County's Chief Executive Officer, the City of Los Angeles' Councilman representing District 14, and the CRA/LA's Chief Executive Officer.

On September 26, 2017, the Board approved the Fourth Amendment to the Joint Exercise of Powers Agreement between the County and the CRA/LA, that provided an extension to January 30, 2018, of the deadline for executing ground leases for the Project parcels not under lease, which are Parcel L (Phase IIC) (CRA/LA owned) and W-2 (Phase III) (County-owned).

At its December 11, 2017 meeting, the Authority Board approved the request that the County and the CRA/LA, the parties to the JPA Agreement, approve and execute the Fifth Amendment to the JPA Agreement to provide for a six-month extension, from January 30, 2018 to July 30, 2018, of the deadline to enter into ground leases for the remaining parcels, to give the Authority time to permit coordination of schedules, activities, and scope for Parcel W-2 and Parcel L partial and return with recommendations. Pursuant to the JPA Agreement, parcels not ground leased by the deadline are no longer subject to development as part of the Grand Avenue Project. The other parcels in the Grand Avenue Project have been ground leased previously to develop Phases I, IIA, and IIB.

The recommended actions provide for a six-month extension to the JPA Agreement from January 30, 2018 to July 30, 2018, to enter into ground leases for the development of Phase IIC and Phase III, and all other terms of the agreement remain unchanged.

FISCAL IMPACT/FINANCING

There is no fiscal impact to the project due to the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Fifth Amendment to the JPA Agreement has been reviewed and approved as to form by County Counsel.

The Governing Board of the CRA/LA, a Designated Local Authority, approved the Fifth Amendment to the JPA Agreement on January 4, 2018.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are within the scope of the Project analyzed in the previously certified Final Environmental Impact Report (Final EIR) and the First and Second Addenda to the Final EIR.

In November 2006, acting as the lead agency for purposes of the California Environmental Quality Act (CEQA), the Authority certified the Final EIR for the proposed Project, a mixed-use development on Parcels Q and W-23, L, and M-2, and potentially W-1, along with a revitalized and expanded civic park, now known as Grand Park. The County, acting as a responsible agency, approved the Final EIR in 2007.

In 2010 and 2014, acting as the lead agency, the Authority approved the First and Second Addendum, respectively to the Final EIR. The Second Addendum, which was approved in 2014 for the Fourth Amendment to the Disposition and Development Agreement, provided updated environmental documentation for the revised concept plan for Phase I (Parcel Q) as designed by architect Frank Gehry, established as the re-formulated project description in January 2014. The County, acting as a responsible agency, also approved the First and Second Addenda to the Final EIR in 2010 and 2014, respectively.

The Final EIR, with its Addenda, includes in its scope of potential impacts analyzed in the currently recommended Scope for the Phase I (Parcel Q) mixed-use site with two towers repositioned as approved in 2014, and a mix of residential, retail, and hotel uses consistent with those analyses. No further environmental review is required based on the record of the proposed Project because since certification of the Final EIR and approval of the First and Second Addenda, there have been no changes to the proposed Project, or substantial changes in circumstances, or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to, California Public Resources Code Section 21166 and State CEQA Guidelines Sections 15162, 15163, and 15164.

Upon the Board's approval of the recommended actions, the Chief Executive Office will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions have no impact on current services or projects. The Authority continues to work with the Developer on the previously approved development on County-owned Parcel Q (Phase I), which is scheduled to begin construction this calendar year.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Programs Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:JJ:DPH

BMB:AMA:AC:zu

c: Executive Office, Board of Supervisors
County Counsel
Grand Avenue Authority